



## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
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(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

July 15, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: APPROVAL OF TRAUMA CENTER  
SERVICE AUGMENTATION AGREEMENT AMENDMENT NO. 5 WITH  
ST. FRANCIS MEDICAL CENTER  
(SUPERVISORIAL DISTRICT 2)  
(3 VOTES)**

**SUBJECT**

Request approval of an amendment to an existing agreement with St. Francis Medical Center to revise claiming criteria and extend the term.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Interim Director of the Department of Health Services (DHS), or his designee, to offer and sign Amendment No. 5 to Trauma Center Services Augmentation Agreement (TCSAA) No. H-700906 with St. Francis Medical Center (SFMC), to revise claiming criteria effective upon Board approval and extend the term of the Agreement effective December 1, 2008 through November 30, 2009, at the same annual maximum obligation of \$5.6 million.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended actions will allow the Interim Director, or his designee, to approve Amendment No. 5, substantially similar to Exhibit I, which will revise claiming criteria and extend the agreement one year in order to maintain adequate emergency coverage for County-responsible persons redirected or coming from the former Martin Luther King, Jr./Drew Medical Center (MLK/Drew) catchment area to SFMC.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

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### **Implementation Of Strategic Plan Goals**

This action supports Goal 7, Health and Mental Health, of the County Strategic Plan by ensuring adequate delivery and quality of health care, particularly emergency/trauma care, for persons residing in the former MLK/Drew catchment area.

### **FISCAL IMPACT/FINANCING**

The total annual maximum obligation is \$5.6 million, funded with Measure B Trauma Property Assessment funds (approximately \$2.8 million) and the Maddy Emergency Medical Services fund (approximately \$2.8 million). The revised claiming criteria will have no impact to the maximum obligation. The rate paid to SFMC, the maximum number of eligible patient days per month, and the six day maximum length of stay per admission, remain unchanged.

Funding for the extension period effective December 1, 2008 through June 30, 2009, will be requested in the Fiscal Year (FY) 2008-09 Supplemental Budget Resolution. For the FY 2009-10 budget process, DHS will work with the Chief Executive Office to ensure sufficient funding exists to fulfill the obligations of the TCSAA.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

SFMC is a current participant in the County's trauma system and satisfies the State and County criteria and conditions for such participation.

On February 22, 2005, the Board approved TCSAA No. H-700906 with SFMC to provide funding for emergency services, particularly trauma services, which occurred at SFMC as a result of the closure of MLK/Drew's trauma services beginning March 1, 2005.

Through subsequent amendments, the Board has authorized DHS to extend the term of the agreement, increased the rates to be consistent with the rates paid under the MetroCare agreement, and increased the number of days paid per eligible patient admission. The current agreement will expire on November 30, 2008.

Currently, the maximum obligation and reimbursement is based on an estimate of 40 eligible patients, each having an inpatient length of stay of six days for a monthly limitation of 240 eligible patient days. However, SFMC's experience is that the average length of stay for TCSAA services is often four days, rather than six days per admission, but SFMC is limited to claiming 40 patients per month regardless of the number of hospital days provided. Consequently, SFMC is unable to claim the full amount of reimbursement allocated under the TCSAA.

The recommended action will maintain the total number of eligible patient days per month (240) and the annual maximum obligation (\$5.6 million), but remove the 40 eligible patients per month cap and allow SFMC to submit claims for additional eligible patients whose lengths of stay are less than six days, within the 240 reimbursable days per month limitation.

County Counsel has approved Exhibit I as to form.

### **CONTRACTING PROCESS**

On February 22, 2005, the Board approved an agreement with SFMC to provide funding for emergency services as a result of the closure of MLK/Drew's trauma center in 2005.

DHS exercised delegated authority to execute Amendment's No. 1 and No. 4 to extend the term of the agreement. Amendment No. 4 extended the term of the current agreement through November 30, 2008.

On January 30, 2007 and July 17, 2007, the Board approved Amendment's No. 2 and No. 3 respectively. Both amendments increased the rates to be consistent with the rates paid under the MetroCare agreement. Amendment No. 2 also increased the number of days paid per eligible patient admission and extended the term.

Advertising the TCSAAs on the County's Online Web Site is not applicable.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of this Amendment No. 5 will help ensure that the current level of augmented transitional capacity services at SFMC is maintained.

### **CONCLUSION**

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:SAS  
MLM:LT:yb

Attachment

c: County Counsel  
Interim Director, Department of Health Services

071508\_DHS\_St. Francis

Contract # H-700906-5

TRAUMA CENTER SERVICE  
AUGMENTATION AGREEMENT

AMENDMENT NO. 5

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2008,

by and between

COUNTY OF LOS ANGELES  
(hereafter "County"),

and

ST. FRANCIS MEDICAL CENTER  
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled  
"TRAUMA CENTER SERVICE AUGMENTATION AGREEMENT", dated March 1,  
2005, and further identified as County Agreement No. H-700906,  
and any Amendments hereto (all hereafter referred to as  
"Agreement"); and

WHEREAS, the parties hereto have previously entered into a  
written agreement entitled "TRAUMA CENTER SERVICE AGREEMENT",  
dated June 24, 2003, superseded by replacement agreement  
effective July 1, 2006, and further identified as County  
Agreement No.H-702651, and any Amendments hereto; and

WHEREAS, the County acknowledges that utilization of Trauma  
Center Service Augmentation Agreement ("TCSAA") services has  
shown that payment arrangements with Contractor under this  
Agreement do not allow Contractor to adequately recover the costs  
of providing TCSAA services to eligible patients and negatively

impact Contractor's ability to ensure trauma care services availability; and

WHEREAS, County budgeted funds for this Agreement remain unexpended; and

WHEREAS, experience has shown that the average eligible patient length of stay for TCSAA services is four (4) days, rather than the six (6) days contemplated in the TCSAA, and that increased patient utilization of these TCSAA services is unreimbursed, while County budgeted funding for TCSAA services remain unexhausted; and

WHEREAS, County desires to continue to limit the number of eligible patient days per month, but not limit reimbursement to Contractor to a specific number of eligible patients per month; and

WHEREAS, the parties wish to amend the Agreement to allow for payment to Contractor to be limited to two hundred forty (240) eligible patient days per month, with a maximum reimbursement of six (6) days for each admission, per eligible patient; and

WHEREAS, the parties wish to extend the Agreement for an additional twelve (12) months, to and including November 30, 2009; and

WHEREAS, Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties; and

NOW, THEREFORE, the parties agree as follows:

1. The TERM of this Agreement is hereby extended for twelve (12) months and shall remain in full force and effect through November 30, 2009.

2. Paragraph 5, FUNDING FOR TRANSITIONAL CAPACITY ALLOWANCE, of Agreement shall be revised and replaced to read as follows:

"5. FUNDING FOR TRANSITIONAL CAPACITY ALLOWANCE: An allocation not to exceed \$5.62 million for each twelve (12) month period beginning December 1, 2006 as set forth herein, will ensure that Contractor will have appropriate capacity for trauma patients during the period of this Agreement.

To ensure availability of anticipated trauma care, County shall reimburse Contractor for up to two hundred forty (240) days per month, with a maximum reimbursement of six (6) days for each admission, per eligible patient, during the period of this Agreement. Reimbursement shall be at the rate of One Thousand Nine Hundred Fifty Dollars (\$1,950) per eligible patient day ("eligible patient" as defined in County Agreement No.H-702651, Exhibit B, Section I.A ELIGIBLE INDIGENT CARE FUNDING). Contractor may request that the County accept transfer of eligible indigent patients from Contractor. If County accepts such eligible Trauma Augmentation indigent patients for admission to a County facility, or other facility under contract with the

County, with each such accepted patient the maximum total monthly obligation of County shall decrease in an amount of Seven Thousand Eight Hundred Dollars (\$7,800). Claims for reimbursement as set forth herein shall include a completed UB-92 form with timely submission to the County's Emergency Medical Services Agency, and shall be paid in accordance with the terms of the County Agreement No.H-702651.

If Contractor wishes the County to accept patients for transfer, such patients shall be presented to the County's Medical Alert Center (MAC). Any patient not presented through the MAC at time of service shall not be eligible for reimbursement.

In addition, the County's MAC shall assist Contractor by facilitating the transfer of complex orthopedic and maxillo-facial trauma patients into the County-operated trauma centers within the capacity and/or capability of these trauma centers. Any transfer of such patients shall be included in the count of accepted transfers for the purpose of reducing the budget as set forth above.

Nothing in this Agreement shall be construed as to limit the number of patients the County accepts from Contractor should capacity be available in accordance with existing County EMS transfer policies and procedures.

Notwithstanding any other provision in this Agreement, Contractor may transfer patients to any County-operated

acute care facility, or other facility under contract with the County, which is currently licensed under section 1250 et seq. of the California Health and Safety Code.

Pursuant to Department of Health Services' requirements for identifying County residency, the Contractor shall make all reasonable efforts to obtain actual verification of residency. In the event a patient does not provide physical verification, the Contractor may utilize the Affidavit of Residency contained in Attachment A, attached hereto and incorporated herein by reference."

3. Except for the changes set forth hereinabove, the wording of Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Interim Director of Health Services and Contractor has caused  
this Amendment to be subscribed in its behalf by its duly  
authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
John F. Schunhoff, Ph.D.  
Interim Director

ST. FRANCIS MEDICAL CENTER  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants Division

IER:TCSAA  
Amend5DFinal  
06/09/08